

TSX: PWI, PWI.PR.A

BROMPTON
FUNDS



SUSTAINABLE
POWER & INFRASTRUCTURE
SPLIT CORP.

Sustainable Power & Infrastructure Split Corp.

Interim Report 2023

*Actively managed global portfolio of sustainable
power & infrastructure companies.*

**VALUE
INTEGRITY
PERFORMANCE**

THE FOUNDATION FOR EXCELLENCE

MANAGEMENT REPORT OF FUND PERFORMANCE

August 18, 2023

This interim management report of Fund performance for Sustainable Power & Infrastructure Split Corp. (the “Fund”) contains financial highlights but does not contain the unaudited interim financial statements of the Fund. The unaudited interim financial statements follow this report. You may obtain a copy of the audited annual or unaudited interim financial statements, at no cost, by calling 1-866-642-6001 or by sending a request to Investor Relations, Brompton Funds, Bay Wellington Tower, Brookfield Place, 181 Bay Street, Suite 2930, Box 793, Toronto, Ontario, M5J 2T3, or by visiting our website at www.bromptongroup.com or SEDAR at www.sedar.com. Shareholders may also contact us by using one of these methods to request a copy of the Fund’s proxy voting policies and procedures, proxy voting disclosure record, Independent Review Committee’s report, or quarterly portfolio disclosure.

THE FUND

Sustainable Power & Infrastructure Split Corp. is a mutual fund corporation managed by Brompton Funds Limited (the “Manager”). The Fund has Class A and Preferred shares outstanding which are traded on the Toronto Stock Exchange (“TSX”) under the symbols PWI and PWI.PR.A, respectively. The Class A and Preferred shares are RRSP, DPSP, RRIF, RESP and TFSA eligible. The Preferred shares are rated Pfd-3 by Dominion Bond Rating Service Limited (“DBRS”).

Preferred shares of the Fund receive fixed, cumulative quarterly payments. Payments may consist of ordinary dividends, capital gains dividends or returns of capital. Preferred shares have a priority claim ahead of the Class A shares on the Fund’s assets in the event of liquidation. However, the Net Asset Value of Preferred shares generally does not benefit from growth in value of the underlying stocks. Class A shares capture the price movement of the underlying stocks but in a more magnified way than if an investor owned the underlying portfolio of securities directly. This magnification of return is commonly known as “leverage”, which is provided by the Preferred shares.

INVESTMENT OBJECTIVES AND STRATEGIES

The Fund’s investment objectives are:

- i) to provide holders of Preferred shares with fixed, cumulative, preferential quarterly cash distributions and to return the original issue price of \$10.00 per Preferred share to Preferred shareholders at maturity; and
- ii) to provide holders of Class A shares with regular monthly non-cumulative cash distributions, targeted to be \$0.06667 per share, and the opportunity for growth in Net Asset Value per share through exposure to the Portfolio.

To achieve these objectives, the Fund invests in a globally diversified and actively managed portfolio (the “Portfolio”) consisting primarily of dividend-paying securities of power and infrastructure companies, whose assets, products and services the Manager believes are facilitating the multi-decade transition toward decarbonization and environmental sustainability. The Portfolio includes investments in companies operating in the areas of renewable power, green transportation, energy efficiency, and communications, among others (“Sustainable Power and Infrastructure Companies”). In seeking to achieve its investment objectives, the Fund targets investments in Sustainable Power and Infrastructure Companies that have positive and/or improving environmental, social and governance (“ESG”) characteristics as identified by the Manager.

The Manager integrates ESG considerations to complement fundamental analysis in its security selection process. The qualitative ESG policies and practices considered include, but are not limited to, a company’s environmental sustainability, diversity of employees, and corporate governance. The Manager reviews ESG ratings from third party data providers such as Bloomberg, MSCI, S&P Global, Sustainalytics, Refinitiv, ISS, and others that provide independent and objective ratings as an input to the overall investment analysis and risk assessment of a company. The Fund will only invest in issuers with a market capitalization of at least \$2 billion and the Manager expects that at least 15 Sustainable Power and Infrastructure Companies will comprise the Portfolio. In addition, up to 25% of the Portfolio may be invested indirectly through exchange-traded funds (“ETF”), including funds managed by the Manager, for the purposes of enhanced diversification and return potential, at the discretion of the Manager. The Manager, at its discretion, selectively writes covered call options from time to time on the portfolio, to generate additional distributable cash for the Fund and to reduce volatility. In addition, the Fund sells investments for working capital purposes or replace investments with proceeds from the exercise of covered call options previously written. In addition, the Fund hedges substantially all of its foreign currency exposure back to the Canadian dollar.

RECENT DEVELOPMENTS

Market Conditions

Monetary policy response to persistently higher levels of inflation over the Bank of Canada's 2% target rate has led to higher interest rates and fluctuations in securities prices. The Fund's Net Asset Value reflecting the value of the Fund's portfolio based on the most recent valuation date can be found on the Fund's webpage at www.bromptongroup.com.

RISKS

Risks associated with an investment in the shares of the Fund are discussed in the Fund's 2022 Annual Information Form, which is available at www.bromptongroup.com or on SEDAR at www.sedar.com. There were no changes to the risks during the period ended June 30, 2023 that could materially affect an investment in the shares of the Fund as they were discussed.

RESULTS OF OPERATIONS

Distributions

Class A share cash distributions for the six months ended June 30, 2023 amounted to \$0.40 per share, unchanged from the six months ended June 30, 2022, reflecting monthly cash distributions of \$0.06667 per Class A share. Preferred share cash distributions declared were \$0.25 per share for the six months ended June 30, 2023, unchanged from the same period in 2022. Since its inception date of May 21, 2021, the Fund has distributed \$1.67 per Class A share and \$1.06 per Preferred share.

The Fund has a distribution reinvestment plan which allows participating Class A shareholders to automatically reinvest monthly distributions, commission free, in additional Class A shares of the Fund. Pursuant to this plan, during the period ended June 30, 2023, 4,855 Class A shares were acquired in the market at an average price of \$7.29 per Class A share.

Income and Expenses

The Fund earned income of \$0.30 per Class A share during the six months ended June 30, 2023, compared to \$0.29 per Class A share during the six months ended June 30, 2022. Expenses for the period ended June 30, 2023, amounted to \$0.15 per Class A share compared to \$0.13 per class A share for the same period in 2022.

Net Asset Value

The Net Asset Value per Class A share was \$6.41 at June 30, 2023, up 2.1% from \$6.28 at December 31, 2022. For the purpose of calculating the Net Asset Value of the Fund as a whole, the Preferred shares are not considered a liability of the Fund. The aggregate Net Asset Value of the Fund was \$61.3 million at June 30, 2023, up from \$60.8 million at December 31, 2022.

Investment Portfolio

As at June 30, 2023, the Fund's investment portfolio included 33 securities across 8 sectors and 1 exchange-traded fund investment which is managed by the same Manager, compared to 32 securities across 8 sectors and 1 exchange-traded fund investment at December 31, 2022. During the six months ended June 30, 2023, the Fund bought 8 new securities and sold 7 securities. The exchange-traded fund is Brompton Sustainable Real Assets Dividend ETF and this investment provides exposure to global real asset companies. As of June 30, 2023, the underlying ETF represented 4.5% of the Fund's Net Asset Value (the Net Asset Value includes the value of the preferred shares). The investment weightings and a detailed listing of the Fund's holdings are provided in the financial statements.

To achieve the investment objectives, the Manager uses a multi-disciplinary investment process that includes fundamental, qualitative, and technical research to construct the portfolio. As a part of this process, the Manager has integrated ESG considerations into the fundamental analysis and has targeted investments in companies that have positive and/or improving environmental, social and governance ("ESG") characteristics. The qualitative ESG considerations include reviewing a company's policies and practices in regards to environmental sustainability, diversity of employees, and corporate governance. The Manager also reviews ESG ratings from third party data providers such as Bloomberg, MSCI, S&P Global, Sustainalytics, Refinitiv, ISS, and others that provide independent and objective ratings as an input to the overall investment analysis and risk assessment of a company.

Sustainable Power & Infrastructure Split Corp. - Interim Report 2023

The Fund's portfolio continues to meet the Fund's ESG-related investment objectives and strategies. The securities that the Fund sold and purchased in the first half of 2023 were a result of many different factors, including re-allocation of sector weighting, fundamental analysis and technical analysis. None of the securities sold in the first half of 2023 were a result of them not meeting ESG characteristics. The new purchases in the Fund's portfolio all, in the Manager's view, have positive and/or improving ESG characteristics. Prysmian SpA, which produces cables that are key to enabling wind power and upgrading the electrical grid, was purchased because it is a key beneficiary of renewable energy spending. Siemens AG was also purchased for its role in enabling the development of renewable energy projects as well as the electrification solutions it offers for public transit and smart infrastructure to reduce energy usage. Linde PLC, which offers industrial gases for the production of green hydrogen, has a third of its energy consumption as low carbon, and plans to reduce GHG emissions by 35% by 2028. Air Liquide S.A. aims to triple its hydrogen sales by 2035. BMW was bought because the Manager believes that its electrification product offerings will provide energy saving solutions and reduce fossil fuel dependency. Trane Technologies PLC was purchased because it is a global climate innovator that brings efficient and sustainable climate solutions to buildings, homes and transportation. Finally, Koninklijke KPN NV, a Dutch telecom company, has been climate neutral since 2015 and measures customer trust in its data safety in its annual surveys.

For the six months ended June 30, 2023, the Fund's portfolio recorded net realized gains of \$1.9 million and a change in unrealized gain of \$0.5 million. The Information Technology sector played a significant role, contributing \$1.2 million. Following closely behind was the Industrials sector, contributing \$0.8 million.

During the first six months of 2023, the Fund selectively wrote covered call options on the underlying securities in the portfolio and generated premiums of \$0.4 million. The net realized and change in unrealized gain on option writing was \$72.9 thousand which represents the premium received, less the amount paid to close out the options at expiry. As at June 30, 2023, there were 417 option contracts outstanding, with a notional value representing 10.0% of the portfolio.

As at June 30, 2023, the Fund had foreign currency exposure to US dollar, Euro, British pound, Japanese yen and Hong Kong dollar. The Fund's exposure to foreign currencies was substantially hedged through its foreign currency forward contracts. For the period ended June 30, 2023, the net realized and change in unrealized gain from foreign currency forward contracts was \$1.0 million. The gain was largely offset by the foreign currency loss of the respective foreign currency denominated securities in the investment portfolio.

Portfolio Sectors

Net Gains (Losses) by Sector (millions)	% of Net Asset Value as of 30-Jun-23 ¹	Realized \$	Change in Unrealized \$	Total \$
Communication services	9.5	-	(0.1)	(0.1)
Consumer discretionary	2.9	-	0.2	0.2
Energy	9.0	0.9	(1.1)	(0.2)
Industrials	30.2	(0.1)	0.9	0.8
Information technology	7.3	0.2	1.0	1.2
Materials	10.5	-	(0.2)	(0.2)
Real estate	2.8	0.3	(0.4)	(0.1)
Utilities	21.9	(0.3)	0.1	(0.2)
Sustainable real assets dividend exchange-traded fund	4.5	-	-	-
Options	(0.1)	0.1	(0.1)	-
Foreign currency forward contracts	0.4	0.8	0.2	1.0
Cash & other net assets (liabilities)	1.1	-	-	-
Total	100.0	1.9	0.5	2.4

¹ Net Asset Value of the Fund includes the value of the Preferred shares and Class J shares.

Geographic Split	% of Net Asset Value as of 30-Jun-23 ¹
United States	39.5
Canada	19.0
France	10.4
Germany	8.7
Japan	4.2
Great Britain	3.5
Netherlands	3.1
Italy	3.0
Ireland	2.9
Switzerland	2.9
Hong Kong	1.4
Cash & other net assets (liabilities)	1.4
Total	100.0

¹ Net Asset Value of the Fund includes the value of the Preferred shares and Class J shares.

Liquidity

To provide liquidity for shareholders, the Class A shares and Preferred shares of the Fund are listed on the TSX. Investors also have the right to retract their shares in accordance with the Fund's retraction provisions for each class of share.

RELATED PARTY TRANSACTIONS

Related party transactions consist of services provided by the Manager pursuant to a management agreement. See the Management Fees section below. As at June 30, 2023, 0.2% of the Fund's Preferred shares were held by an investment fund managed by the Manager (December 31, 2022 - 0.2%).

MANAGEMENT FEES

Pursuant to a management agreement, the Manager provides management and administrative services to the Fund, for which it is paid a management fee equal to 0.75% per annum of the Net Asset Value of the Fund, plus applicable taxes. The Fund does not pay any management fees on investments in funds managed by the Manager. The Net Asset Value of the Fund is determined by taking the total assets of the Fund and deducting the Fund's liabilities. For this purpose, the Preferred shares are not considered a liability of the Fund. The management fee is used by the Manager to cover its costs to obtain the Fund's assets, the cost to administer the Fund, the cost of investment management services and for profit. For the period ended June 30, 2023, management fees amounted to \$0.2 million.

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help readers understand the Fund's financial performance for the fiscal periods indicated. This information is derived from the Fund's unaudited interim and audited annual financial statements. *The information in the following tables is presented in accordance with National Instrument ("NI") 81-106 and, as a result, does not act as a continuity of opening and closing Net Assets per Class A share.* The increase (decrease) in Net Assets from operations is based on average shares outstanding during the period, and all other numbers are based on actual shares outstanding at the relevant point in time.

Net Assets per Class A Share¹

For the period/year ended	June 30, 2023	December 31	
		2022	2021²
	\$	\$	\$
Net Assets, beginning of period/year ^{3,4}	6.28	10.09	9.29
Increase (decrease) from operations:⁵			
Total revenue	0.30	0.51	0.46
Total expenses ⁴	(0.15)	(0.31)	(0.48)
Preferred share distributions	(0.25)	(0.50)	(0.31)
Realized gains (losses)	0.49	(1.68)	(0.85)
Unrealized gains (losses)	0.14	(1.15)	2.17
Total increase (decrease) in Net Assets from operations	0.53	(3.13)	0.99
Distributions to Class A shareholders:^{3,6}			
Return of capital	n/a	0.80	0.47
Total distributions to Class A shareholders	0.40	0.80	0.47
Net Assets, end of period/year²	6.41	6.28	10.09

¹ The financial information was prepared using International Financial Reporting Standards.

² Period from May 21, 2021 (commencement of operations) to December 31, 2021.

³ Net Assets per Class A share and distributions per Class A share are based on the actual number of Class A shares outstanding at the relevant time.

⁴ The opening Net Assets per Class A share is net of agents' fees and issuance costs on Class A shares and Preferred shares. For financial reporting purposes, the costs related to Preferred shares, in the amount of \$0.28 per share, have also been reported as an expense during the period from May 21, 2021 to December 31, 2021. Total expenses, excluding the agents' fees and issuance costs on Preferred shares, were \$0.20 per share.

⁵ The increase (decrease) in Net Assets from operations per Class A share is based on the weighted average number of Class A shares outstanding over the fiscal period.

⁶ Allocations for tax purposes for the period ended June 30, 2023 are not available until year end

Ratios and Supplemental Data (Based on Net Asset Value)

As at	June 30, 2023	December 31	
		2022	2021
Net Asset Value (\$) (000s) – including Preferred shares	61,260	60,771	64,720
Number of Class A shares outstanding (000s)	3,732	3,732	3,222
Management expense ratio (“MER”) - Class A shares ¹	11.22%	10.63%	15.06%
Trading expense ratio ²	0.18%	0.09%	0.32%
Portfolio turnover rate ³	26.27%	31.37%	n/a
Net Asset Value per unit (\$) ⁴	16.54	16.41	20.21
Net Asset Value per Class A share (\$)	6.41	6.28	10.09
Net Asset Value per Preferred share (\$) ⁵	10.00	10.00	10.00
Closing market price - Class A shares (\$)	6.59	7.55	9.87
Closing market price - Preferred shares (\$)	9.40	9.75	10.50

¹ MER for Class A shares is based on the requirements of NI 81-106 and includes the total expenses of the Fund for the stated period, including distributions on Preferred shares, Preferred share premium/discount amortization, issuance costs and a proportionate share of any underlying funds' expenses, but excluding brokerage commissions on securities transactions, and is expressed as an annualized percentage of the average Net Asset Value of the Fund for Class A shares over the period. Please see the Expense Ratio section following this table for further discussion of the calculation.

² The trading expense ratio represents total commissions, transaction costs and a proportionate share of any underlying funds' transaction costs expressed as an annualized percentage of daily average Net Asset Value of the Fund during the period.

³ The Fund's portfolio turnover rate indicates how actively the Fund manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund. The portfolio turnover rate is not provided when the Fund is less than one year old. Portfolio turnover rate is calculated by dividing the lesser of the cost of purchases and the proceeds of sales of portfolio securities for the period, excluding cash and short-term investments maturing in less than one year, by the average market value of such investments during the period.

⁴ A unit includes one Class A share and one Preferred share. Net Asset Value per unit is determined by the Net Asset Value of the Fund, for which the Preferred shares are not treated as liabilities. Net Asset Value per unit includes any distributions declared and not paid that are payable to Shareholders.

⁵ Net Asset Value per Preferred share does not include the accrued Preferred share distributions.

Expense Ratio

In the current period ended June 30, 2023, the MER per Class A share, which includes agents' fees, issuance costs, Preferred share premium/discount amortization and Preferred share distributions, was 11.22%, up from 10.63% in the prior year ended 2022. The MER per Class A share excluding agent's fees, issuance costs and Preferred share premium/discount amortization was 11.10% in the current period compared to 9.35% in the prior year. Expenses for agents' fees and issuance costs were borne by the new subscribing shareholders as the share issuances were priced at an amount higher than the Net Asset Value per unit plus these associated expenses; therefore, any share issuances are not dilutive for the existing shareholders. Pursuant to the prescribed regulatory formula, these costs must be included in the MER calculation. Excluding Preferred share distributions, the MER per Class A share was 3.11% in the current period up from 2.78% in the prior year.

The MER per unit (includes one Class A share and one Preferred share) of the Fund, excluding agents' fees, issuance costs, Preferred share premium/discount amortization and Preferred share distributions, was 1.20% for the period ended June 30, 2023, unchanged from the year ended 2022.

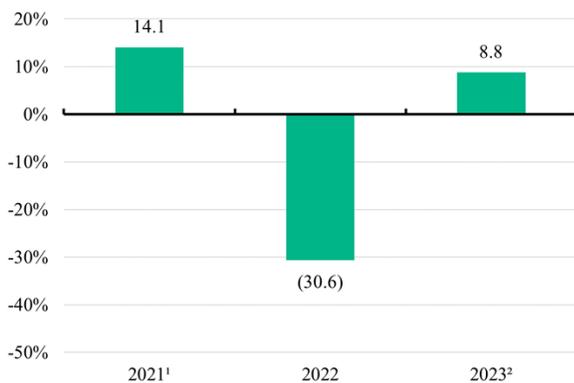
PAST PERFORMANCE

The following chart and table show the past performance of the Fund. Past performance does not necessarily indicate how the Fund will perform in the future. The information shown is based on Net Asset Value per Class A share and per unit and assumes that distributions made by the Fund on the Class A shares and units in the periods shown were reinvested (at Net Asset Value per Class A share and per unit, respectively) in additional Class A shares and units of the Fund.

The bar chart shows the Fund’s returns for a Class A share and a unit since inception to June 30, 2023. The chart shows, in percentage terms, how investments held in a Class A share and a unit on the first day of the fiscal period would have changed by the last day of the fiscal period.

Year-by-Year Return

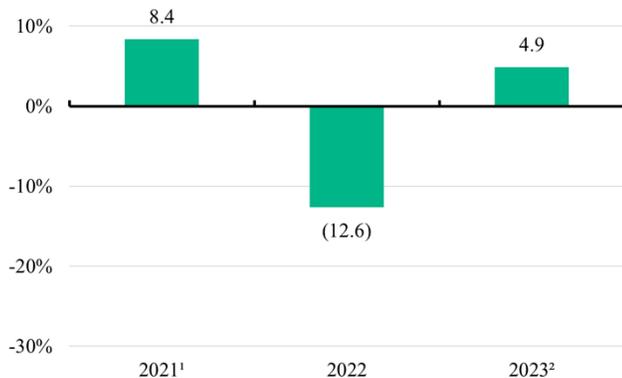
Class A Share



¹ Period from May 21, 2021 (commencement of operations) to December 31, 2021.

² Period from January 1, 2023 to June 30, 2023.

PWI Unit



¹ Period from May 21, 2021 (commencement of operations) to December 31, 2021.

² Period from January 1, 2023 to June 30, 2023.

SUMMARY OF INVESTMENT PORTFOLIO

As at June 30, 2023

Total Net Asset Value¹	\$ 61,260,297	
Portfolio Composition	% of Portfolio	% of Net Asset Value
<u>Asia</u>		
Hong Kong		
Utilities	1.3	1.4
Japan		
Industrials	4.1	4.2
Total Asia	5.4	5.6
<u>Europe</u>		
France		
Industrials	4.0	4.1
Materials	3.3	3.3
Utilities	3.0	3.0
Germany		
Industrials	3.0	3.0
Consumer Discretionary	2.8	2.9
Utilities	2.8	2.8
Great Britain		
Utilities	2.3	2.3
Materials	1.2	1.2
Ireland		
Industrials	3.0	2.9
Italy		
Industrials	3.0	3.0
Netherlands		
Communication Services	3.1	3.1
Switzerland		
Materials	2.9	2.9
Total Europe	34.4	34.5
<u>North America</u>		
Canada		
Industrials	6.7	6.7
Sustainable Real Assets Dividend Exchange-traded Fund	4.5	4.5
Communication Services	3.1	3.1
Energy	2.8	2.8
Utilities	1.8	1.9

SUMMARY OF INVESTMENT PORTFOLIO (cont'd)

Portfolio Composition (cont'd)	% of Portfolio	% of Net Asset Value
North America (cont'd)		
United States		
Utilities	10.4	10.5
Information Technology	7.1	7.3
Industrials	6.2	6.3
Energy	6.2	6.2
Communication Services	3.3	3.3
Materials	3.1	3.1
Real Estate	2.8	2.8
Total North America	58.0	58.5
Total Investments	97.8	98.6
Cash	2.2	2.3
Other net assets (liabilities)		(0.9)
Total	100.0	100.0

Top 25 Holdings	% of Portfolio	% of Net Asset Value
Brompton Sustainable Real Assets Dividend ETF	4.5	4.5
Hitachi Ltd.	4.1	4.2
Schneider Electric SE	4.0	4.1
Roper Technologies Inc.	3.8	3.9
Nextera Energy Inc.	3.6	3.6
Waste Management Inc.	3.4	3.5
Canadian Pacific Kansas City Ltd.	3.4	3.4
ON Semiconductor Corp.	3.3	3.4
Air Liquide S.A.	3.3	3.3
T-Mobile US Inc.	3.3	3.3
Canadian National Railway Co.	3.3	3.3
ONEOK Inc.	3.3	3.3
Exelon Corp.	3.2	3.2
Telus Corp.	3.1	3.1
Albemarle Corp.	3.1	3.1
Koninklijke KPN NV	3.1	3.1
Prysmian SpA	3.0	3.0
Veolia Environnement S.A.	3.0	3.0
Siemens AG	3.0	3.0
Trane Technologies PLC	3.0	2.9

Top 25 Holdings (cont'd)	% of Portfolio	% of Net Asset Value
Glencore PLC	2.9	2.9
Williams Companies Inc.	2.9	2.9
Bayerische Motoren Werke AG	2.8	2.9
RWE AG	2.8	2.8
Enbridge Inc.	2.8	2.8
Total	82.0	82.5

¹ Net Asset Value of the Fund includes the value of the Preferred shares and Class J shares.

The investment portfolio may change due to ongoing portfolio transactions of the investment fund. Quarterly updates are available on the Fund's website at www.bromptongroup.com within 60 days of each quarter end.

MANAGER/PORTFOLIO MANAGER

Founded in 2000, Brompton is an experienced investment fund manager with income focused investment solutions including exchange-traded funds (ETFs) and other TSX traded investment funds. Brompton's Portfolio Management team specializes in Canadian and global equity investments and is a leading manager of covered call writing strategies in Canada. Brompton actively manages 21 investment funds, which are listed on the TSX.



PORTFOLIO MANAGER'S REPORT

July 2023

Global Markets Review

Global equity markets have been resilient during the first half of 2023. We entered the year with caution given the host of uncertainties the market faced to begin 2023. The market sell-off due to the regional banking crisis was offset by multiple tailwinds such as inflation deceleration, tech rally, and China reopening. For the six-month period ending June 30, 2023, the MSCI World Index gained 15.4%. Information Technology rallied 39.1% and was the top performer, while Energy was the bottom-performing sector (-3.4%). In North America, the S&P 500 rose by 16.9%, buoyed by Information Technology and Communication Services. The S&P/TSX Composite added 5.8%, also boosted by Information Technology (+47.5%). In Europe, the STOXX 600 returned 11.5% for the first half of this year. Major European indices also finished year-to-date in positive territory. Italy FTSE MIB and Spain IBEX 35 gained 23.3% and 19.3%, respectively. France, Germany, Switzerland, and the U.K. all finished the period in positive territory, up 17.4%, 16.0%, 8.3% and 3.1%, respectively.

In the US, with the effort of central bank's policy tightening, inflation has materially come down, while economic activities have been largely subdued. In May 2023, CPI came in at 4.0%, retreating from the peak in June 2022 (9.1%). The labour market remains tight, supported by historically low unemployment and moderately high wage growth. Meanwhile, manufacturing PMI entered May at 46.9, an indication of contraction when readings are below 50. Rates volatility peaked in March and declined before the end of June. The U.S. 10-year Treasury yield broke above 4% on sticky core inflation readings in early March, then quickly dropped following the fear of a banking crisis and rose again throughout May and June on the Federal Reserve's rate hike and tightening bias. Equity market performance was impressive during the first half of 2023, with investors factoring in subsiding inflation, China's stimulus, and the end of central bank tightening. Information Technology, Communication Services, and Consumer Discretionary—the three bottom-performing sectors in 2022—have recovered and gained strong momentum. From a factor perspective, the tech sector rally largely contributed to significant outperformance of growth stocks against value during the 6-month period. The Federal Reserve ("Fed") kept interest rates unchanged at the 5.00%-5.25% range at the June Federal Open Market Committee meeting. This was the first meeting in 15 months without a rate hike. However, noting that inflation has meaningfully abated but remains above the 2% target, the Fed retains a tightening bias that would signal a possible resumption of further hikes in the back half of this year. The Fed funds futures market is pricing in the terminal rate at 5.4% in November, indicating no rate cut towards year end. Recall that 3 months ago, the futures market

predicted rate cuts of 60 basis points in total this year. This confirms our view back in Q1 that a discussion on the trajectory of rate cuts is still premature.

In Canada, the Bank of Canada (“BoC”) delivered a hawkish surprise by lifting the overnight policy rate to 4.75% in June (a 25-basis-point increase). This marks the resumption of the tightening cycle that was held off since January. The decision was made based on stronger-than-expected economic growth, housing market rebound, CPI uptick and a tight labor market. BoC’s communication suggests that more rate hikes would be needed to tame inflation, increasing the pressure on household debt.

The European Central Bank (“ECB”) raised the benchmark interest rate by 25 basis points at both May and June meetings to 4.0%. Core inflation remains stubborn, driven by stronger-than-expected services inflation. The strength in the core measure will likely force ECB to keep hiking. Similar to North America, the labour market has been overheated in Europe, which will keep demand stubbornly strong. On the positive side, easing of food inflation continues thanks to falling producer and import prices. Energy inflation also declined, helped by warmer-than-normal winter weather. Meanwhile, the Bank of England unexpectedly lifted the policy rate by a half percentage point to 5% in June. The communication reiterated possible higher rates in the upcoming meetings. The U.K. remains an outlier in the G7 nations, with an elevated CPI reading at 8.7% in May.

Looking forward to the second half of 2023, the key focus will still be new economic data releases (particularly inflation and labor) and central banks’ policy reactions to bring down inflation. We will observe regional divergence regarding economic recovery, as nations respond to price, labour and geopolitics. What remains unclear among global central banks is when monetary tightening will end. As a result, frequent changes in leadership between value and growth will persist over the rest of the year. Best-performing sectors may lose steam heading into Q2 earnings season. Market volatility is expected to rise accordingly. Since stock selection becomes increasingly crucial in this environment, we keep favouring companies that demonstrate resilient balance sheets, generate inflation-resistant cash flow and maintain strong margin levels. Additionally, Brompton’s ability to lean on its covered call writing program to harvest volatility risk premia augments risk-adjusted returns, lowers portfolio volatility and aids in funding distributions.

Portfolio Review

Units of Sustainable Power & Infrastructure Split Corp. (the “Fund”) were up 4.9% during the first half of 2023.

Our overweight position in Technology and Industrials, as well as our underweight position in Real Estate led to our strong performance so far this year. ON Semiconductor, Schneider Electric and Hitachi were the top contributors so far this year. Despite starting the year with high expectations for a recession, the companies in the Industrial sector played into several structural growth drivers such as digitization, automation and decarbonization. Government incentives from the US and Europe also helped boost demand for their products and increase the size of the order books. Certain industrial stocks have also benefitted from inflation indexed pricing and inelastic demand, proving to be a safe place to be in a time of heightened inflation. On the flip side, Real Estate has had a challenging year, as rising interest rates, a weakening economy and change in working patterns push the value of various real estate assets lower. The banking crises in March added further stress to the sector by reducing funding opportunities. Industrial real estate has proved to be an exception.

The fund’s energy infrastructure holdings detracted from our performance in the first half of this year. Energy has been the worst performer in the S&P 500, with oil prices being down ~10.5% and natural gas down ~38% YTD. This despite China, the world’s second largest oil consumer, reopening its economy and demand for travel from around the world remaining strong. Despite OPEC+ cutting production, oil prices have not recovered on worries over lower demand growth.

During the year, we added to positions in Industrials, Materials and Consumer Discretionary, while trimming Utilities and Real Estate. We continue to like the secular themes that companies in the Industrial sector present and are also encouraged by the size of their order books. We also find attractive opportunities in international Industrial stocks, particularly from Europe that are leaders in the energy transition.

The Fund’s portfolio continues to meet the Fund’s ESG related investment objectives and strategies. The securities that the Fund sold and purchased in the first half of 2023 were a result of many different factors, including re-allocation of sector weighting, fundamental analysis and technical analysis. None of the securities sold in the first half of 2023 were a result of them not meeting ESG characteristics. The new purchases in the Fund’s portfolio all, in the Manager’s view, have positive and/or improving ESG characteristics. Prysmian, which produces cables that are key to enabling wind power and upgrading the electrical grid, was purchased because it is a key beneficiary of renewable energy spending. Siemens was also purchased for its role in enabling the development of renewable energy projects as well as the electrification solutions it offers for public transit and smart infrastructure to reduce energy usage. Linde, which offers industrial gases for the production of green hydrogen, has a third of its energy consumption as low carbon, and plans to reduce GHG emissions by 35% by 2028. Air Liquide aims to triple its hydrogen sales by 2035. BMW was bought because the Manager believes that its electrification product offerings will provide energy saving solutions and reduce fossil fuel dependency. Trane Technologies was purchased because it is a global climate innovator that brings efficient and sustainable climate solutions to buildings, homes and

transportation. Finally, Koninklijke KPN, a Dutch telecom company, has been climate neutral since 2015 and measures customer trust in its data safety in its annual surveys.

FORWARD-LOOKING STATEMENTS

Some of the statements contained herein including, without limitation, financial and business prospects and financial outlook may be forward-looking statements which reflect management's expectations regarding future plans and intentions, growth, results of operations, performance and business prospects and opportunities. Words such as "may," "will," "should," "could," "anticipate," "believe," "expect," "intend," "plan," "potential," "continue" and similar expressions have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management. Forward-looking statements involve significant risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, changes in general economic and market conditions and other risk factors. Although the forward-looking statements contained herein are based on what management believes to be reasonable assumptions, we cannot assure that actual results will be consistent with these forward-looking statements. Investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and we assume no obligation to update or revise them to reflect new events or circumstances, except as required by law.